



State of California
Employment Training Panel

Arnold Schwarzenegger, Governor

April 15, 2009

Bill Markis, Human Resources Manager
Jacuzzi Brands, Inc.
14525 Monte Vista Ave
Chino, CA 91710

Dear Mr. Markis:

RE: FINAL MONITORING VISIT REPORT for Jacuzzi Brands, Inc. – ET07-0224

Date of the Visit:	11/21/08
Beginning/Ending Time:	10:00 a.m. – 12:30 p.m.
Date of Last Visit:	5/29/09
Visit Location:	Chino
Persons in attendance:	Bill Markis, HR Manager, Sundance Spas Mireya Morales, Administrative Assistant, Sundance Spas Ryan Swier, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	12/18/06-12/17/08	Agreement Amount:	\$864,000
Training Start Date:	12/18/06	No. to Retain:	800
Date Training must be Completed:	9/17/08	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	60

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ETP (04/15/05)

FINAL REPORT SUMMARY:

The Agreement was executed on 1/22/07 and training began on 12/18/06. Your staff reported that all training was completed on 9/10/08, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – 12/17/08.

INTERVIEW WITH THE CONTRACTOR

The Contractor reported that ETP-funded training increased employee's skills in manufacturing and improved companywide productivity. The training was directed mainly to frontline employees concentrating on Kaizen and Lean Manufacturing topics. In order for Jacuzzi Brands, Inc. to maximize reimbursement, Ms. Morales provided training to managers on how to properly fill out rosters and what courses were eligible for reimbursement. Ms. Morales also focused on getting retrainees up to the required minimum of 24 hours of training. As of the last day of this Agreement, 355 trainees had completed the minimum number of hours (24) required to earn reimbursement.

Jacuzzi Brands, Inc. closed down its Chino, CA Jacuzzi Tub manufacturing plant in the fall of 2007 leaving its Corporate Headquarters facility in Chino Hills, CA and Sundance Spas manufacturing plant in Chino, CA to train under this agreement.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Number to Retain	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training (in Reten.)	Number of Trainees Completed Retention
1	800	843	488	355	0	355

The chart below lists the training hours provided to the 355 trainees tracked on-line who reached the specified benchmarks:

NUMBER OF TRAINEES: (# TRAINEES)	HOURS COMPLETED	PERCENTAGE OF TOTAL ENROLLED
253	24-84	71%
80	85-144	23%
22	150-200	6%

As of the date of this report, the Contractor's statistics showed that 355 trainees had completed a minimum of 24 hours of training to qualify for reimbursement. Mr. Swier explained to the contractor that the per trainee reimbursement for class/lab training is based on the total number of training hours completed by each trainee, provided the

minimum 24 hours of training and no more than the maximum 200 hours of training are completed, and all other Agreement terms and conditions are met.

The aforementioned 355 retrainees were provided a total of 23171 hours of training. Therefore, Jacuzzi Brands, Inc. can potentially earn \$417,078 in reimbursement (48 percent of encumbered funds), if all Agreement terms and conditions are met. As of the date of this report the final contract closeout had been issued and Jacuzzi Brands, Inc. had received \$417,031.

ATTENDANCE ROSTERS:

During the Monitoring Visit, Mr. Swier randomly selected the attendance records of six enrolled trainees. The review of the records revealed that the four trainees had completed from 25 - 101 hours of class/lab training. The review sample consisted of original daily class/lab attendance rosters for training provided from December 18, 2006 through July 29, 2008. Mr. Swier compared the information in the ETP on-line class/lab tracking system with the attendance rosters to ensure that the information was consistent.

The review of the completed rosters revealed that the information on the rosters was in accordance with Title 22, California Code of Regulations, Section 4442, Record Keeping and consistent with information in the ETP on-line tracking report.

AUDIT:

Jacuzzi Brands, Inc. will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Ryan Swier at (619) 686-1902, or e-mail him at rswier@etp.ca.gov within ten (10) working days from the receipt of this letter.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Godin'.

S. Godin for Diana Torres, Manager
San Diego Regional Office

A handwritten signature in black ink, appearing to be 'R. Swier'.

Ryan Swier, Contract Analyst
San Diego Regional Office

cc: Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File